(c) The increase in real interest rate combined with appreciation of the rupee are two major factors which have been having an effect of manufacturing in the current financial year.

Indian industries in defence production

*293. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of DEFENCE be pleased to state:

(a) whether Government is encouraging Indian industries in defence production;

(b) if so, the details thereof during the last three years; and

(c) the present status thereof?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (c) Till 2001, the defence production was confined in the public sector, presently having 8 Defence public Sector Undertakings and 39 Ordance Factories. In May 2001, the defence industry sector was opened upto 100% for Indian private sector participation subject to licensing. Since then, 73 Letters of Intent/Industrial Licenses have been issued to various companies in the private sector for manufacture of wide range of defence items.

Various steps have been taken during last three years to encourage Indian Industries to participate in defence production. These include provision relating to offset, maintenance, through Indian industry, of 'Buy' category of items procured from overseas sources and level playing field, which have been incorporate in the Defence Procurement Procedure-2006. Issues concerning the Indian industry like shared development cost and minimum order quantity in development projects have also been addressed in the 'Make' procedure notified as part of Defence Procurement Procedure-2006.

Pending rural road projects under Bharat Nirman Programme

*294. SHRI C. PERUMAL: Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether it is a fact that a number of projects of rural roads under Bharat Nirman Programme planned under Tenth Plan are still pending, resulting in huge cost variance;

(b) if so, the number of pending rural road projects under this programme, State-wise;

(c) whether these projects would be forwarded to the Eleventh Plan; and

(d) if so, the details of the cost variance due to delay of rural road projects, State-wise?

THE MINISTER OF RURAL DEVELOPMENT (SHRI RAGHUVANSH PRASAD SINGH): (a) During the first 2 years *i.e.* 2005-06 and 2006-07, 13831 habitations were connected with all-weather road against the target of connecting 23164 habitations under rural roads component of Bharat Nirman.

(b) State-wise details of habitations connected against the targets fixed during the period 2005-07 as well as balance habitations to be connected have been indicated in the Statement (*See* below).

(c) the backlog of habitations, which were not connected during 2005-07, have been carried over to the Eleventh Plan. These habitations are targeted to be provided connectivity under Bharat Nirman by 2009.

(d) Once the projects are sanctioned for coverage under the Pradhan Mantri Gram Sadak Yojana (PMGSY) by the Ministry of Rural Development, escalation in cost due to time overrun are not provided by the Ministry.

Statement

Target and achievement under rural roads component of Bharat Nirman for the period 2005—07

Sl. No.	State	Habitations to be connected (Target) during the period 2005-07	Habitations connected during the period 2005-07	Balance to be connected
1	2	3	4	5
1.	Andhra Pradesh	0	15	0
2.	Arunachal Pradesh	87	3	84
3.	Assam	2409	1150	1259
4.	Bihar	2958	1183	1775
5.	Chhattisgarh	1788	1129	659
6.	Goa	0	2	0
7.	Gujarat	476	476	0
8.	Haryana	0	0	0
9.	Himachal Pradesh	336	332	4
10.	Jammu & Kashmir	409	19	390
11.	Jharkhand	1821	209	1612
12.	Karnataka	0	5	0
13.	Kerala	0	25	0
14.	Madhya Pradesh	2528	2274	254
15.	Maharashtra	0	181	0
16.	Manipur	59	40	19
17.	Meghalaya	65	17	48
18.	Mizoram	51	8	43
19.	Nagaland	19	7	12
20.	Orissa	1367	683	684
21.	Punjab	0	50	0
22.	Rajasthan	1995	1975	20
23.	Sikkim	52	53	0
24.	Tamil Nadu	0	46	0
25.	Tripura	249	65	184
26.	Uttar Pradesh	2769	1923	846
27.	Uttrakhand	201	31	170
28.	West Bengal	3525	1930	1595
	TOTAL	23164	13831	9658